



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Ventures to Acquire Fellow-McCord & Associates, Inc. and Alliance Energy Services Partnership

Acquisitions Will Solidly Position Allegheny in National Energy Services Market

Hagerstown, Md., May 30, 2001 – Allegheny Ventures, the unregulated business development arm of Allegheny Energy, Inc. (NYSE: AYE), announced today that it has signed a definitive agreement to acquire for \$29.6 million Fellow-McCord & Associates, Inc., a natural gas and electricity consulting and management services firm, and Alliance Energy Services Partnership, a provider of natural gas supply and transportation services. The acquisitions will help advance the Company's strategy of expanding its successful regional distributed generation business, Allegheny Energy Solutions, into a leading player in national energy services markets. The transaction will be accounted for as a purchase and is expected to be accretive to Allegheny Energy's earnings per share in the first year after closing.

According to Ron E. Cardwell, Vice President, Allegheny Energy Solutions, "These acquisitions mark another step forward in Allegheny Energy Solutions' strategy to become a national energy services provider, focusing on larger commercial and industrial customers.

"We expect Fellow-McCord & Associates and Alliance Energy Services Partnership to be a springboard for the growth of Allegheny Energy Solutions," said Cardwell. "Adding gas procurement and management services to our current offerings will create tremendous opportunities for growth by giving us the capability to provide comprehensive distributed energy solutions to customers in new markets throughout the country."

As part of the transaction, Allegheny Energy Solutions will establish a long-term strategic relationship with Conoco Inc. (NYSE: COC.B), which will provide natural gas supply and wholesale marketing services to Alliance Energy Services Partnership.

"Conoco is excited to establish this new relationship with Allegheny Energy Solutions," said J. Mike Stice, President of Conoco Gas and Power Marketing, a division of Conoco Inc. "Alliance and Fellow-McCord have an outstanding future, and Conoco is very pleased to play a part."

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Cardwell added that Fellon-McCord & Associates' experienced leadership team and more than 50 employees will continue to run the businesses' day-to-day operations from their offices in Louisville, Ky. Andrew R. Fellon and John C. McCord, the firm's founding partners, will continue to serve as the executive management team for both Fellon-McCord & Associates, Inc. and Alliance Energy Services Partnership.

According to Fellon-McCord partner Andrew R. Fellon, "In addition to providing our customers with the most reliable and economical natural gas supply and transportation arrangements, Fellon-McCord and Alliance will now be able to offer superior electric consulting, management, and procurement services as a result of the transaction with Allegheny Ventures."

The transaction is conditioned upon customary regulatory approvals, including the Securities and Exchange Commission and the Department of Justice/Federal Trade Commission. The companies expect the transaction to be completed in the third quarter of 2001. If approved, these new businesses will become part of Allegheny Energy Solutions. CIBC World Markets Corp. acted as financial advisor to Allegheny Ventures for the transaction.

Allegheny Energy Solutions' current offerings include the design, construction, operation, and financing of distributed generation, cogeneration, power quality, and reliability applications. The Allegheny subsidiary continues to expand its presence in the energy services market through partnerships with Capstone Turbine Corporation, American Power Conversion, Caterpillar, Generac, GE Power Systems, Turbosteam Corporation, and Siemens Solar Industries, L.P.

About Allegheny Energy

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. We have been named to the *Fortune* 500 list, the Standard and Poor's 500 index, and the *Forbes* "Platinum 400" list. The Allegheny Energy family includes *Allegheny Power*, which delivers electric energy and natural gas to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; *Allegheny Energy Supply Company, LLC*, which operates and markets competitive retail and wholesale electric generation and operates regulated electric generation for its affiliates; and *Allegheny Ventures*, which actively invests in and develops telecommunications and energy-related projects. For more information, visit our web site at www.alleghenyenergy.com.

About Conoco Inc.

Conoco is the nation's fourth-largest integrated energy company with 2000 revenues of more than \$39 billion. Based in Houston, the company is active in 40 countries and has approximately 17,600 employees worldwide. Conoco's operations span the value chain from exploration and production of natural gas and crude oil to refining and marketing of petroleum products and natural gas and power trading. Conoco markets 7.5 billion cubic feet of natural gas per day in North America. As both a producer and marketer of natural gas, Conoco provides sophisticated financial products, reliable natural gas supply, and a full suite of risk management services.

About Fellon-McCord & Associates

Fellon-McCord & Associates is an energy consulting and management business that commenced operations in 1992. The company has more than 50 energy professionals and serves more than 300 customers across North America. Fellon-McCord & Associates began its consulting services in the natural gas arena and has gained national recognition as a leader in the commercial, industrial, municipal, and utility marketplaces. Services have been expanded in the past two years to include electric consulting services. For more information, visit Fellon-McCord's web site at www.fellon-mccord.com.

About Alliance Energy Services Partnership

Alliance Energy Services Partnership is a Kentucky general partnership, which is 50 percent owned by Alliance Gas Services, Inc., an affiliate of Fellon-McCord & Associates, Inc., and 50 percent owned by Conoco Inc. The partnership markets natural gas supply and transportation services, as well as provides complete customer volume management services to over 800 commercial and industrial endusers across North America and had sales in excess of \$340 million in the year ending 2000.

Certain statements within constitute forward-looking statements with respect to Allegheny Energy, Inc. ("AYE" or the "Company"). Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of AYE to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors may affect AYE's operations, markets, products, services, and prices. Such factors include, among others, the following: weather and natural phenomena; general and economic and business conditions; industry capacity; changes in technology; changes in political, social, and economic conditions; changes in the price of electricity and gas; changes in environmental and other laws; regulatory matters; litigation involving AYE; regulatory conditions applicable to AYE; the loss of any significant customers; and changes in business strategy or development plans.